

REMARKS OF SENATOR HUBERT H. HUMPHREY

TENTH WASHINGTON MEETING OF THE COUNCIL OF THE AMERICAS

Washington, D. C.

June 27, 1977

The Council of the Americas is to be commended for focusing your attention, during this Tenth Washington Meeting, on the issue of U.S. foreign economic policy. I say this because we no longer can talk about American foreign policy as an isolated subject.

What happens, or fails to happen, in America has an impact on the rest of the world. And surely what happens in other parts of the world -- Latin America, the Middle East, Africa, Western Europe, Asia and the Soviet bloc -- can have, and does have a significant impact on our well being and security.

The basic reality of today is that we are solidly entrenched in an era of interdependence -- an era in which domestic and global distinctions have become increasingly blurred. And we are fast approaching the time when domestic and foreign policy concerns will become inseparable.

Interdependence has become the catchword of the 1970's. And while it is all too commonly used, it is all too little understood.

The post World War II foreign policy of this nation has focused on the maintenance of the balance of power between the U.S. and the Soviet Union. As we enter our third century, protection against military threats still remains a major foreign policy focus of our nation.

However, our national security also is endangered by events outside the political-military sphere of major powers. The advances of modern technology have reduced the time and spatial distances between peoples and nations to relative insignificance. In so doing, it has increased the magnitude and importance of interaction among nations -- and we are no longer immune from this interaction.

The problems of energy, material resources, environment, employment, inflation, population, hunger, disease, and illiteracy; the question of the uses of space and the seas; and the trends in nuclear proliferation and terrorism -- all these issues threaten the national security of our country as much as the possibility of nuclear confrontation with the Soviet Union.

The international economic system created after World War II has shown itself to be inadequate for addressing the changing patterns of economic development and the increasing interdependence among nations.

Both the developed and the developing countries agree on the need for major changes in the existing international economic and political system. This process of renegotiating the world order already is underway in a variety of forums, where a changing political climate is evidenced by the demands of the developing nations for a greater role in global decision-making.

We are compelled to recognize that no one nation dominates the international scene. Our relations with the developing countries are fast becoming a major element of our foreign policy.

It also is clear that the importance of America's economic relations with developing countries continues to grow. Our nation sells more of its goods to developing countries than to the European Community, Eastern Europe and the Soviet Union combined. And developing countries provide us with both critical raw materials and essential consumer goods.

With only six percent of the world's population, we consume nearly 40 percent of the world's resources. By 1985, the United States will depend on imports for more than one-half of our supplies of nine out of the thirteen critical minerals necessary to maintain our industrial economy. By the year 2,000 we will be dependent primarily on foreign sources for our supply of each of the thirteen critical raw materials.

The demands of the developing countries and the requirements of the developed countries are a permanent feature of our evolving international relations. And how we respond will have a major impact on world peace, prosperity and stability for decades.

The major decisions in the world no longer can be made by a handful of Western leaders sharing a similar view of the world. These decisions increasingly are made in global forums, unwieldy in their size and torn by radically different perceptions of the world.

The inability to reach agreement at the protracted Law of the Sea Conference is just one example of likely future frustrations the industrial nations will suffer if they refuse to understand the concerns of developing nations and encourage their cooperation.

Failure, frustration and stalemate on vital issues will persist until we change the very nature of our decision-making process to reflect the democratization of world leadership.

The industrial nations quite understandably are reluctant to accept major changes in the present world system of relatively free trade and capital movements under which they have done so well for so long. However, it is equally understandable why the developing countries, frustrated so often in their attempts to improve their standards of living, are convinced that the current economic system has worked to their disadvantage.

The poorer countries no longer are willing to be dependent upon foreign aid alone for their progress, particularly where this assistance is subject to the uncertainties of the political climate in the richer countries. Instead, they want a more predictable foundation for their economic growth through the assurance of reasonable prices for their exports and guaranteed access to the world markets for their goods.

In essence, the developing countries are insisting upon a genuine commitment by the industrial nations to the principle of economic equity among all nations.

But the demand for change -- yes, fundamental and radical change -- has been coming. It is like a gathering storm and it has now arrived in all its fury. We have hoped that it might pass away or that minor adjustments would be sufficient to weather the storm. This is understandable. Change does not come easy. And change on a global basis is threatening, unsettling and revolutionary.

But the fact is that the balance of this century will continue to be a period of incredible, massive change in political, economic and social institutions.

The question is, will we, by our positive efforts, help to direct and affect this global upheaval in a direction consistent with our values and beliefs. Or will we merely resist it? Will we design our future, or will we simply resign ourselves to it?

If the United States is to develop an effective, positive response to the demands of the less developed nations, we must first undertake some basic changes in our own thinking. These changes are likely to be far more difficult than devising the particular vehicles to implement economic and social reforms.

The first required change in our outlook is to recognize that we are not necessarily dealing with situations in which one side must lose for the other to gain.

For example, commodity agreements can stabilize prices and assure the supply of critical raw materials to the benefit of both producers and consumers. Resource transfers can help developing nations and also mean more exports of U.S. goods, and thus more jobs at home.

Second, we must understand that it is highly improbable that the developing nations will develop as did the West. There simply are not the resources, least of all the cheap energy, that will permit little copies of the United States to spring up around the world.

Perhaps the hardest adjustment in our thinking is to face the fact that our own society is likely to undergo far-reaching, even drastic, changes in the next few decades -- quite apart from the demands of the developing countries -- as we attempt to adapt our own lifestyle to a more realistic planetary scale.

The wastefulness that has been characteristic of our country cannot continue. Conservation must become priority national policy -- both public and private.

This is the economic side of the concerns which we face. However, it is the human dimension of these problems which is even more threatening.

Today, there are 700 million adults in the world unable to read or write.

Today, there are 1.5 billion people in the world without effective health care.

Today, more than 500 million people in the world suffer from severe hunger and malnutrition.

And without a major effort by the international community, some 800 million of the world's poorest cannot expect any improvement in their condition of life for the rest of the decade.

These are some of the facts of our time. And these cruel, ugly facts are as threatening to our future as an uncontrolled arms race. These are time bombs which threaten global peace.

As Pope John XXIII so dramatically emphasized:

"In a world of constant want, there is no peace..."

Therefore, we must be as willing to respond to these threats as we are willing to face those of military aggression.

Last year the development assistance programs of the entire free world to the developing countries totaled only \$17 billion. In the same time span, more than \$285 billion was spent in the world for guns, bombers, and missiles.

The question we must decide is whether or not the conditions of social and economic injustice -- poverty, illiteracy, and disease, are a real threat to our security. I think they are. And they require the same commitment of policy, will and resources as our so-called conventional national defense.

World hunger cannot be solved merely by American charity. The solution lies in increased technology and improved production of food and fiber on a world-wide basis. It can be done.

Disease can be conquered or at least its ravages minimized. The modern world knows how to do this if we have the will and provide the means.

The basic changes in our international financial institutions, which were designed for a world of yesterday, can provide much of the capital which is needed for development.

A war-torn Europe was rebuilt by the Marshall Plan. Its goal was reached through planning, resources and management.

A highly nationalistic Europe was brought together in the European Economic Community by strong political leadership, motivated by economic necessity.

It is possible to make changes. We have demonstrated that there are few, if any, physical or technological barriers that this country is incapable of overcoming, provided that we are willing to make a national commitment to do so.

And remember, we are not alone.

There is a whole world of skill, talent and resources that must be called to the task.

The multinational corporation represents one of the most effective and efficient mechanisms for resource transfers to the developing nations of the world.

In order for us to combat the global plagues of hunger, disease, illiteracy and unchecked population growth effectively, greatly increased capital flows are needed from all sources. But there is no escaping the fact that the capital supplied by the multinational corporation is the most readily available for meeting the chronic shortfalls of savings and other capital flows.

Unfortunately, the relationships between the multinationals and host countries too often are characterized by suspicion and mistrust. This is the residue of colonialism and nationalizations without fair compensation. However, I do believe that we stand on the verge of a new era of the role of private investment in the development process.

It is incumbent upon the multinational corporation to become actively engaged in the negotiations with the less developed countries on the issue of foreign investment. Rather than resisting the sweeping winds of change, the multinational corporate community can be a positive force in shaping this debate.

What is needed is an international code of conduct, one that is mutually acceptable and mutually beneficial to both countries and corporations. Such a code is essential for building the climate of mutual confidence that will invite and encourage investment in developing nations. The relationship between the multinationals and the developing nations must be built on compromise and trust.

As a 1973 U.N. report entitle "Multinational Corporations in World Development" noted:

"Their (multinational corporations) ability to tap financial and human resources around the world and to combine them in economically feasible and commercially profitable activities, their capacity to develop new technology and skills and their productive and managerial ability to translate resources into specific outputs have proven to be outstanding."

This is the central contribution of international corporate citizenship.

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Henry Hezyelin - President
"Jaylan"

THE COUNCIL OF THE AMERICAS IS TO BE COMMENDED FOR
FOCUSING YOUR ATTENTION, DURING THIS TENTH WASHINGTON MEETING,
ON THE ISSUE OF U.S. FOREIGN ECONOMIC POLICY. I SAY THIS
BECAUSE WE NO LONGER CAN TALK ABOUT AMERICAN FOREIGN POLICY AS
AN ISOLATED SUBJECT.

WHAT HAPPENS, OR FAILS TO HAPPEN, IN AMERICA HAS AN IMPACT
ON THE REST OF THE WORLD. AND SURELY WHAT HAPPENS IN OTHER PARTS
OF THE WORLD -- LATIN AMERICA, THE MIDDLE EAST, AFRICA, WESTERN
EUROPE, ASIA AND THE SOVIET BLOC -- CAN HAVE, AND DOES HAVE A
SIGNIFICANT IMPACT ON OUR WELL BEING AND SECURITY.

THE BASIC REALITY OF TODAY IS THAT WE ARE SOLIDLY ENTRENCHED
IN AN ERA OF INTERDEPENDENCE -- AN ERA IN WHICH DOMESTIC AND
GLOBAL DISTINCTIONS HAVE BECOME INCREASINGLY BLURRED.

AND WE ARE FAST APPROACHING THE TIME WHEN DOMESTIC AND FOREIGN
POLICY CONCERNS WILL BECOME INSEPARABLE.

L INTERDEPENDENCE HAS BECOME THE CATCHWORD OF THE 1970's.

AND WHILE IT IS ALL TOO COMMONLY USED, IT IS ALL TOO LITTLE
UNDERSTOOD.

L THE POST WORLD WAR II FOREIGN POLICY OF THIS NATION HAS
FOCUSED ON THE MAINTENANCE OF THE BALANCE OF POWER BETWEEN THE
U.S. AND THE SOVIET UNION. AS WE ENTER OUR THIRD CENTURY,
PROTECTION AGAINST MILITARY THREATS STILL REMAINS A MAJOR FOREIGN
POLICY FOCUS OF OUR NATION.

L HOWEVER, OUR NATIONAL SECURITY ALSO IS ENDANGERED BY EVENTS
OUTSIDE THE POLITICAL-MILITARY SPHERE OF MAJOR POWERS.

THE ADVANCES OF MODERN TECHNOLOGY HAVE REDUCED THE TIME

AND SPATIAL DISTANCES BETWEEN PEOPLES AND NATIONS TO

RELATIVE INSIGNIFICANCE. IN SO DOING, IT HAS INCREASED

THE MAGNITUDE AND IMPORTANCE OF INTERACTION AMONG NATIONS --

AND WE ARE NO LONGER IMMUNE FROM THIS INTERACTION.

THE PROBLEMS OF ENERGY, MATERIAL RESOURCES, ENVIRONMENT,

EMPLOYMENT, INFLATION, POPULATION, HUNGER, DISEASE, AND

ILLITERACY; THE QUESTION OF THE USES OF SPACE AND THE SEAS;

AND THE TRENDS IN NUCLEAR PROLIFERATION AND TERRORISM --

ALL THESE ISSUES THREATEN THE NATIONAL SECURITY OF OUR

COUNTRY AS MUCH AS THE POSSIBILITY OF NUCLEAR CONFRONTATION

WITH THE SOVIET UNION.

L THE INTERNATIONAL ECONOMIC SYSTEM CREATED AFTER WORLD WAR

II HAS SHOWN ITSELF TO BE INADEQUATE FOR ADDRESSING THE CHANGING
PATTERNS OF ECONOMIC DEVELOPMENT AND THE INCREASING INTERDEPENDENCE
AMONG NATIONS.

L BOTH THE DEVELOPED AND THE DEVELOPING COUNTRIES AGREE ON
THE NEED FOR MAJOR CHANGES IN THE EXISTING INTERNATIONAL ECONOMIC
AND POLITICAL SYSTEM. L

THIS PROCESS OF RENEGOTIATING THE WORLD
ORDER ALREADY IS UNDERWAY IN A VARIETY OF FORUMS, WHERE A
CHANGING POLITICAL CLIMATE IS EVIDENCED BY THE DEMANDS OF THE
DEVELOPING NATIONS FOR A GREATER ROLE IN GLOBAL DECISION-MAKING.

L WE ARE COMPELLED TO RECOGNIZE THAT NO ONE NATION DOMINATES
THE INTERNATIONAL SCENE. L OUR RELATIONS WITH THE DEVELOPING
COUNTRIES ARE FAST BECOMING A MAJOR ELEMENT OF OUR FOREIGN POLICY.

↳ IT ALSO IS CLEAR THAT THE IMPORTANCE OF AMERICA'S ECONOMIC
RELATIONS WITH DEVELOPING COUNTRIES CONTINUES TO GROW. ↳ OUR
NATION SELLS MORE OF ITS GOODS TO DEVELOPING COUNTRIES THAN TO
THE EUROPEAN COMMUNITY, EASTERN EUROPE AND THE SOVIET UNION
COMBINED. ↳ AND DEVELOPING COUNTRIES PROVIDE US WITH BOTH CRITICAL
RAW MATERIALS AND ESSENTIAL CONSUMER GOODS!

↳ WITH ONLY SIX PERCENT OF THE WORLD'S POPULATION, WE CONSUME
NEARLY 40 PERCENT OF THE WORLD'S RESOURCES. ↳ BY 1985, THE UNITED
STATES WILL DEPEND ON IMPORTS FOR MORE THAN ONE-HALF OF OUR
SUPPLIES OF NINE OUT OF THE THIRTEEN CRITICAL MINERALS NECESSARY
TO MAINTAIN OUR INDUSTRIAL ECONOMY. ↳ BY THE YEAR 2,000 WE WILL
BE DEPENDENT PRIMARILY ON FOREIGN SOURCES FOR OUR SUPPLY OF EACH
OF THE THIRTEEN CRITICAL RAW MATERIALS.

↳ THE DEMANDS OF THE DEVELOPING COUNTRIES AND THE REQUIREMENTS
OF THE DEVELOPED COUNTRIES ARE A PERMANENT FEATURE OF OUR EVOLVING
INTERNATIONAL RELATIONS. ↳ AND HOW WE RESPOND WILL HAVE A MAJOR

IMPACT ON WORLD PEACE, PROSPERITY AND STABILITY FOR DECADES.

↳ THE MAJOR DECISIONS IN THE WORLD NO LONGER CAN BE MADE BY A
HANDFUL OF WESTERN LEADERS SHARING A SIMILAR VIEW OF THE WORLD.

↳ THESE DECISIONS INCREASINGLY ARE MADE IN GLOBAL FORUMS, UNWIELDY IN
THEIR SIZE AND TORN BY RADICALLY DIFFERENT PERCEPTIONS OF THE WORLD.

↳ THE INABILITY TO REACH AGREEMENT AT THE PROTRACTED LAW OF
THE SEA CONFERENCE IS JUST ONE EXAMPLE OF LIKELY FUTURE

FRUSTRATIONS THE INDUSTRIAL NATIONS WILL SUFFER IF THEY REFUSE

TO UNDERSTAND THE CONCERNS OF DEVELOPING NATIONS AND ENCOURAGE

THEIR COOPERATION.

FAILURE, FRUSTRATION AND STALEMATE ON VITAL ISSUES WILL
PERSIST UNTIL WE CHANGE THE VERY NATURE OF OUR DECISION-MAKING
PROCESS TO REFLECT THE DEMOCRATIZATION OF WORLD LEADERSHIP.

THE INDUSTRIAL NATIONS QUITE UNDERSTANDABLY ARE RELUCTANT
TO ACCEPT MAJOR CHANGES IN THE PRESENT WORLD SYSTEM OF
RELATIVELY FREE TRADE AND CAPITAL MOVEMENTS UNDER WHICH THEY
HAVE DONE SO WELL FOR SO LONG. HOWEVER, IT IS EQUALLY
UNDERSTANDABLE WHY THE DEVELOPING COUNTRIES, FRUSTRATED SO OFTEN
IN THEIR ATTEMPTS TO IMPROVE THEIR STANDARDS OF LIVING, ARE
CONVINCED THAT THE CURRENT ECONOMIC SYSTEM HAS WORKED TO THEIR
DISADVANTAGE.

THE POORER COUNTRIES NO LONGER ARE WILLING TO BE
DEPENDENT UPON FOREIGN AID ALONE FOR THEIR PROGRESS,

PARTICULARLY WHERE THIS ASSISTANCE IS SUBJECT TO THE

UNCERTAINTIES OF THE POLITICAL CLIMATE IN THE RICHER COUNTRIES.

L INSTEAD, THEY WANT A MORE PREDICTABLE FOUNDATION FOR THEIR ECONOMIC

GROWTH THROUGH THE ASSURANCE OF REASONABLE PRICES FOR THEIR EXPORTS

AND GUARANTEED ACCESS TO THE WORLD MARKETS FOR THEIR GOODS.

L IN ESSENCE, THE DEVELOPING COUNTRIES ARE INSISTING UPON A

GENUINE COMMITMENT BY THE INDUSTRIAL NATIONS TO THE PRINCIPLE

OF ECONOMIC EQUITY AMONG ALL NATIONS.

L ~~THE~~ DEMAND FOR CHANGE -- YES, FUNDAMENTAL AND RADICAL

CHANGE -- HAS BEEN COMING. L IT IS LIKE A GATHERING STORM AND IT

HAS NOW ARRIVED IN ALL ITS FURY. L WE HAVE HOPED THAT IT MIGHT

PASS AWAY OR THAT MINOR ADJUSTMENTS WOULD BE SUFFICIENT

TO WEATHER THE STORM.

↳ THIS IS UNDERSTANDABLE. CHANGE DOES NOT COME EASY. AND CHANGE ON A GLOBAL BASIS IS THREATENING, UNSETTLING AND REVOLUTIONARY.

↳ BUT THE FACT IS THAT THE BALANCE OF THIS CENTURY WILL CONTINUE TO BE A PERIOD OF INCREDIBLE, MASSIVE CHANGE IN POLITICAL, ECONOMIC AND SOCIAL INSTITUTIONS.

↳ THE QUESTION IS, WILL WE, BY OUR POSITIVE EFFORTS, HELP TO DIRECT AND AFFECT THIS GLOBAL UPHEAVAL IN A DIRECTION CONSISTENT WITH OUR VALUES AND BELIEFS, OR WILL WE MERELY RESIST IT? WILL WE DESIGN OUR FUTURE, OR WILL WE SIMPLY RESIGN OURSELVES TO IT?

↳ IF THE UNITED STATES IS TO DEVELOP AN EFFECTIVE, POSITIVE RESPONSE TO THE DEMANDS OF THE LESS DEVELOPED NATIONS, WE MUST FIRST UNDERTAKE SOME BASIC CHANGES IN OUR OWN THINKING.

THESE CHANGES ARE LIKELY TO BE FAR MORE DIFFICULT THAN
DEVISING THE PARTICULAR VEHICLES TO IMPLEMENT ECONOMIC AND
SOCIAL REFORMS.

THE FIRST REQUIRED CHANGE IN OUR OUTLOOK IS TO RECOGNIZE

THAT WE ARE NOT NECESSARILY DEALING WITH SITUATIONS IN WHICH

ONE SIDE MUST LOSE FOR THE OTHER TO GAIN.

FOR EXAMPLE, COMMODITY AGREEMENTS CAN STABILIZE PRICES

AND ASSURE THE SUPPLY OF CRITICAL RAW MATERIALS TO THE BENEFIT

OF BOTH PRODUCERS AND CONSUMERS. RESOURCE TRANSFERS CAN HELP

DEVELOPING NATIONS AND ALSO MEAN MORE EXPORTS OF U.S. GOODS,

AND THUS MORE JOBS AT HOME,

SECOND, WE MUST UNDERSTAND THAT IT IS HIGHLY IMPROBABLE

THAT THE DEVELOPING NATIONS WILL DEVELOP AS DID THE WEST.

L THERE SIMPLY ARE NOT THE RESOURCES, LEAST OF ALL THE CHEAP ENERGY,
THAT WILL PERMIT LITTLE COPIES OF THE UNITED STATES TO SPRING
UP AROUND THE WORLD.

L PERHAPS THE HARDEST ADJUSTMENT IN OUR THINKING IS TO FACE THE
FACT THAT OUR OWN SOCIETY IS LIKELY TO UNDERGO FAR-REACHING, EVEN
DRASTIC, CHANGES IN THE NEXT FEW DECADES -- QUITE APART FROM THE
DEMANDS OF THE DEVELOPING COUNTRIES -- AS WE ATTEMPT TO ADAPT OUR
OWN LIFESTYLE TO A MORE REALISTIC PLANETARY SCALE.

L THE WASTEFULNESS THAT HAS BEEN CHARACTERISTIC OF OUR COUNTRY
CANNOT CONTINUE. CONSERVATION MUST BECOME PRIORITY NATIONAL POLICY --
BOTH PUBLIC AND PRIVATE.

L THIS IS THE ECONOMIC SIDE OF THE CONCERNS WHICH WE FACE.

HOWEVER, IT IS THE HUMAN DIMENSION OF THESE PROBLEMS WHICH IS EVEN MORE THREATENING.

TODAY, THERE ARE 700 MILLION ADULTS IN THE WORLD UNABLE TO READ OR WRITE.

TODAY, THERE ARE 1.5 BILLION PEOPLE IN THE WORLD WITHOUT EFFECTIVE HEALTH CARE.

TODAY, MORE THAN 500 MILLION PEOPLE IN THE WORLD SUFFER FROM SEVERE HUNGER AND MALNUTRITION.

AND WITHOUT A MAJOR EFFORT BY THE INTERNATIONAL COMMUNITY, SOME 800 MILLION OF THE WORLD'S POOREST CANNOT EXPECT ANY IMPROVEMENT IN THEIR CONDITION OF LIFE FOR THE REST OF THE DECADE.

THESE ARE SOME OF THE FACTS OF OUR TIME. AND THESE CRUEL, UGLY FACTS ARE AS THREATENING TO OUR FUTURE AS AN UNCONTROLLED ARMS RACE.

h THESE ARE TIME BOMBS WHICH THREATEN GLOBAL PEACE.

AS POPE JOHN XXIII SO DRAMATICALLY EMPHASIZED:

"IN A WORLD OF CONSTANT WANT, THERE IS NO PEACE..."

L THEREFORE, WE MUST BE AS WILLING TO RESPOND TO THESE THREATS

AS WE ARE WILLING TO FACE THOSE OF MILITARY AGGRESSION.

L LAST YEAR THE DEVELOPMENT ASSISTANCE PROGRAMS OF THE ENTIRE

FREE WORLD TO THE DEVELOPING COUNTRIES TOTALED ONLY \$17 BILLION.

L IN THE SAME TIME SPAN, MORE THAN \$285 BILLION WAS SPENT IN THE WORLD

FOR GUNS, BOMBERS, AND MISSILES.

L THE QUESTION WE MUST DECIDE IS WHETHER OR NOT THE CONDITIONS

OF SOCIAL AND ECONOMIC INJUSTICE -- POVERTY, ILLITERACY, AND

DISEASE, ARE A REAL THREAT TO OUR SECURITY. I THINK THEY ARE!

AND THEY REQUIRE THE SAME COMMITMENT OF POLICY, WILL AND RESOURCES
AS OUR SO-CALLED CONVENTIONAL NATIONAL DEFENSE.

WORLD HUNGER CANNOT BE SOLVED MERELY BY AMERICAN CHARITY.

THE SOLUTION LIES IN INCREASED TECHNOLOGY AND IMPROVED PRODUCTION
OF FOOD AND FIBER ON A WORLD-WIDE BASIS. IT CAN BE DONE!

DISEASE CAN BE CONQUERED OR AT LEAST ITS RAVAGES MINIMIZED.

THE MODERN WORLD KNOWS HOW TO DO THIS IF WE HAVE THE WILL AND
PROVIDE THE MEANS.

THE BASIC CHANGES IN OUR INTERNATIONAL FINANCIAL INSTITUTIONS,
WHICH WERE DESIGNED FOR A WORLD OF YESTERDAY, CAN PROVIDE MUCH
OF THE CAPITAL WHICH IS NEEDED FOR DEVELOPMENT.

A WAR-TORN EUROPE WAS REBUILT BY THE MARSHALL PLAN, ITS
GOAL WAS REACHED THROUGH PLANNING, RESOURCES AND MANAGEMENT.

↳ A HIGHLY NATIONALISTIC EUROPE WAS BROUGHT TOGETHER IN THE EUROPEAN ECONOMIC COMMUNITY BY STRONG POLITICAL LEADERSHIP, MOTIVATED BY ECONOMIC NECESSITY.

↳ IT IS POSSIBLE TO MAKE CHANGES, ↳ WE HAVE DEMONSTRATED THAT THERE ARE FEW, IF ANY, PHYSICAL OR TECHNOLOGICAL BARRIERS THAT THIS COUNTRY IS INCAPABLE OF OVERCOMING, PROVIDED THAT WE ARE WILLING TO MAKE A NATIONAL COMMITMENT TO DO SO.

↳ AND REMEMBER, WE ARE NOT ALONE.

↳ THERE IS A WHOLE WORLD OF SKILL, TALENT AND RESOURCES THAT MUST BE CALLED TO THE TASK.

↳ THE MULTINATIONAL CORPORATION REPRESENTS ONE OF THE MOST EFFECTIVE AND EFFICIENT MECHANISMS FOR RESOURCE TRANSFERS TO THE DEVELOPING NATIONS OF THE WORLD.

L IN ORDER FOR US TO COMBAT THE GLOBAL PLAGUES OF HUNGER,
DISEASE, ILLITERACY AND UNCHECKED POPULATION GROWTH EFFECTIVELY,
GREATLY INCREASED CAPITAL FLOWS ARE NEEDED FROM ALL SOURCES. BUT
THERE IS NO ESCAPING THE FACT THAT THE CAPITAL SUPPLIED BY THE
MULTINATIONAL CORPORATION IS THE MOST READILY AVAILABLE FOR
MEETING THE CHRONIC SHORTFALLS OF SAVINGS AND OTHER CAPITAL FLOWS.

L UNFORTUNATELY, THE RELATIONSHIPS BETWEEN THE MULTINATIONALS
AND HOST COUNTRIES TOO OFTEN ARE CHARACTERIZED BY SUSPICION AND
MISTRUST. THIS IS THE RESIDUE OF COLONIALISM AND NATIONALIZATIONS
WITHOUT FAIR COMPENSATION. HOWEVER, I DO BELIEVE THAT WE STAND
ON THE VERGE OF A NEW ERA OF THE ROLE OF PRIVATE INVESTMENT IN
THE DEVELOPMENT PROCESS.

It is incumbent upon the MULTINATIONAL CORPORATION TO BECOME
ACTIVELY ENGAGED IN THE NEGOTIATIONS WITH THE LESS DEVELOPED
COUNTRIES ON THE ISSUE OF FOREIGN INVESTMENT. RATHER THAN
RESISTING THE SWEEPING WINDS OF CHANGE, THE MULTINATIONAL
CORPORATE COMMUNITY CAN BE A POSITIVE FORCE IN SHAPING THIS
DEBATE.

What is needed is an INTERNATIONAL CODE OF CONDUCT, ONE
THAT IS MUTUALLY ACCEPTABLE AND MUTUALLY BENEFICIAL TO BOTH
COUNTRIES AND CORPORATIONS. SUCH A CODE IS ESSENTIAL FOR
BUILDING THE CLIMATE OF MUTUAL CONFIDENCE THAT WILL INVITE
AND ENCOURAGE INVESTMENT IN DEVELOPING NATIONS. THE RELATION-
SHIP BETWEEN THE MULTINATIONALS AND THE DEVELOPING NATIONS
MUST BE BUILT ON COMPROMISE AND TRUST.

As a 1973 U.N. report entitled "MULTINATIONAL CORPORATIONS
IN WORLD DEVELOPMENT" NOTED:

"THEIR (MULTINATIONAL CORPORATIONS) ABILITY TO TAP FINANCIAL
AND HUMAN RESOURCES AROUND THE WORLD AND TO COMBINE THEM IN
ECONOMICALLY FEASIBLE AND COMMERCIALY PROFITABLE ACTIVITIES,
THEIR CAPACITY TO DEVELOP NEW TECHNOLOGY AND SKILLS AND THEIR
PRODUCTIVE AND MANAGERIAL ABILITY TO TRANSLATE RESOURCES INTO
SPECIFIC OUTPUTS HAVE PROVEN TO BE OUTSTANDING."

h THIS IS THE CENTRAL CONTRIBUTION OF INTERNATIONAL CORPORATE
CITIZENSHIP.

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